Ministry of the Economy

Plan for 2015-16

saskatchewan.ca

Government of Saskatchewan

Statement from the Ministers

The Honourable Bill Boyd

Minister of the Economy

The Honourable Jeremy Harrison

Associate Minister of the Economy

It is our pleasure to present the Ministry of the Economy's Operational Plan for 2015-16.

This plan is the blueprint for our Ministry's work and activities for the coming fiscal year as we carry out our mandate—one of the broadest and most complex mandates in government. Taking our direction from the *Saskatchewan Plan for Growth*, Government's Direction and Budget for 2015-16 is focused on *Keeping Saskatchewan Strong*, balancing building for the future with fiscal responsibility.

Our key tasks are encouraging continued prosperity across sectors and industries, attracting investment at every level of our communities, and helping to create and sustain the best possible environment for people to build careers and lives while making Saskatchewan their home. What follows is a detailed description of this work; progress will be detailed in the annual report.

By removing barriers to economic growth and offering an effective regulatory environment in which to operate, we are generating investment opportunities in Saskatchewan. Our resource potential is accessible and favourable to business. We are leveraging innovation to enhance our agricultural and manufacturing capabilities. We are asserting our competitiveness through regulatory modernization and updating provincial regulations with an eye to the future and the coming needs of both industry and Saskatchewan people. We are also committed to developing a skilled workforce through education and training, providing tools to encourage immigration, and strengthening trade with the global markets we depend upon.

It is no coincidence that our population is at its highest level in our history; in 2013 and 2014 we had the lowest unemployment rate among the provinces in every month but one, and billions are being invested in our province. Our Ministry has helped to ensure a robust and diverse economy; the goals and objectives which follow will help ensure that we meet our future with confidence.

Response to Government Direction

The Government of Saskatchewan is committed to *Keeping Saskatchewan Strong*. The province faces challenges due to volatile resource revenue; however, Saskatchewan's economy is diverse and resilient. There are strengths in many sectors from agriculture and manufacturing to resources such as potash and uranium.

With controlled spending and continued support for the conditions necessary for economic growth, the Government will meet the needs of our growing province. Investments in people and infrastructure continue to support Government's commitment to establishing Saskatchewan as the best place to live, to work, to start a business, to get an education, to raise a family and to build a life.

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Government's vision and four goals provide the framework for ministries, agencies and third parties to align their programs and services and meet the needs of Saskatchewan's citizens.

All ministries and agencies will report on progress in their 2015-16 annual reports.

Operational Plan

Mandate Statement

The Ministry of the Economy advances economic growth to generate wealth and opportunity in Saskatchewan. The Ministry enhances economic growth and competitiveness by attracting investment and removing barriers to growth; regulates responsible resource development by facilitating resource exploration and development within an effective regulatory framework; and supports a robust labour market by developing, attracting and retaining a skilled labour force.

Mission Statement

The Ministry of the Economy advances economic growth to generate wealth and opportunity in Saskatchewan.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: sustaining economic growth and addressing the challenges of growth

Ministry Goal

Supporting increased trade, investment and exports through international engagement

Strategy

Increase outreach through missions and promotions

Key Actions

- Increase promotion of investment opportunities and trade/export opportunities in Saskatchewan in key markets around the world
- Encourage, initiate and support incoming missions of companies from new or emerging markets
- Develop capacity in countries with significant growth potential through outgoing investment attraction missions and outgoing trade/export missions
- Engage with Foreign Affairs, Trade and Development Canada and other potential strategic partners, including in-market consultants, in new or emerging markets to gain better understanding of the market and to promote Saskatchewan and its opportunities

Strategy

Increase foreign direct investment in primary and value-added industries

Key Actions

- Lead/support sector development and investment attraction missions and host foreign delegate in-house information sessions
- Develop an investment attraction strategy for new or emerging markets
- Generate, develop and advance leads and projects to increase investment in the province from key markets
- Target global resource industry investors in key markets to attract investment in the sectors of value-added agriculture, oil and gas, mining, manufacturing, and forestry by leading/supporting sector development and investment attraction missions and hosting foreign delegate in-house information sessions

Strategy

Strengthen inter-governmental and commercial relationships

Key Action

- Identify supply chain linkages and procurement opportunities to Saskatchewan businesses, manufacturers and processors

Ministry Goal

Advancing Saskatchewan's natural resource and agricultural strengths, particularly through innovation to build the next economy

Strategy

Ensure that Saskatchewan's royalties and regulations contribute to a competitive environment for natural resource development

Key Actions

- Maintain stable, competitive royalty regimes for the forest industry, minerals, and oil and gas
- Ensure royalty structures reflect the value of commodities and provide a balance between attracting investment and providing an appropriate return to provincial residents
- Maintain a competitive tax, tenure, and regulatory environment
- Maintain emphasis on public safety and reservoir management by strengthening enforcement of oil and gas regulatory requirements
- Monitor industry competitiveness and respond to issues raised with the Ministry in order to ensure continued growth of resource sectors

Strategy

Attract forestry investment

Key Actions

- Facilitate private forest sector investments that create new industry capacity in order to maximize the province's annual allowable cut utilization
- Work with other ministries and Crown corporations to facilitate power developments appropriate to growth of the forest industry and highway improvements that support and accelerate forest resource development

Strategy

Promote partnerships to increase engagement in the forest economy

Key Action

- Promote partnerships and networks among the private sector, First Nations and Métis, and northern businesses to increase skilled employment and engagement in the forest economy

Strategy

Increase technology adoption

Key Actions

- Encourage industry to adopt the use of proven, innovative technology to achieve full utilization of the province's forest resources
- Increase knowledge and technology transfer services to forestry stakeholders

Strategy

Attract 10% of national mineral exploration spending

Key Actions

- Maintain fiscal regimes that encourage continued investment in mineral exploration and development within the province
- Work with other ministries to encourage the federal government to increase investment access (uranium) in new international trade agreements

Strategy

Develop geoscience and promote exploration and development opportunities

Key Actions

- Attend national and international mineral forums with Saskatchewan exploration companies to inform potential investors about the extensive mineral investment potential of Saskatchewan (e.g. China Mining, Prospectors and Developers Association of Canada, Mineral Roundup)
- Incorporate summer field work into ministry databases, and publish in time for the annual geological open house (December), where it will be made available for industry to examine its potential impact on their more detailed exploration plans
- Assist the International Minerals Innovation Institute in its efforts to address skilled labour requirements in the mine construction and operating phases to provide companies with a level of certainty that a new mine or expansion is feasible
- Support industry-driven research on new feasibility and mine planning techniques

Strategy

Increase initial established oil reserves by 2.5% annually

Key Actions

- Increase oil production recovery rates through the further development and application of enhanced oil recovery (EOR) technologies
- Continue using the *Saskatchewan Petroleum Research Incentive* and the fiscal provisions for EOR to help industry apply innovative technology to improve recovery and encourage full utilization of oil and gas resources

Strategy

Update regulations and supporting processes

Key Actions

- Complete implementation of the PRIME project to report specific volumetric, infrastructure, valuation and royalty-related information to government and industry partners to better manage royalties, lease administration and well data interfaces
- Implement the one window application/approval process for oil and gas licensing
- Complete and update petroleum and natural gas regulations and their supporting processes to increase industry self-service and government response time capabilities
- Introduce an Enhanced Production Audit Program (EPAP)
- Maintain effectiveness of data collection and billing to ensure timely and optimal collection of resource revenues

Strategy

Encourage a high level of drilling activity

Key Action

- Continue a progressive and competitive framework for petroleum and natural gas rights management

Performance measures

Value of mineral sales
Increase the value of mineral sales from an estimated $7.1B in 2014 to $8.8B in 2015.

Total timber harvest volume
Continue to increase the annual timber harvest to meet or exceed the Growth Plan's targeted 50% increase (over the 2012-13 base year level of 2.82 Mm^3) by 2020.

Ministry Goal

Ensuring the ongoing competitiveness of Saskatchewan's economy

Strategy

Maintain a competitive tax and regulatory environment and encourage entrepreneurship to assist in the growing number of Saskatchewan small businesses

Key Actions

- Implement Regulatory Impact Assessment, the Regulatory Cost Model, and the Regulatory Information Database across government
- Support Junior Achievement's Student Venture Program and Rural Expansion Initiative
- Maximize the impact of Aboriginal Business Match and the Northern Opportunities Forum

Strategy

Review business regulations to reduce barriers to growth

Key Action

- Coordinate the review of at least 10 per cent of Saskatchewan's business regulations each year, as directed by the Red Tape Reduction Committee of Cabinet

Strategy

Maintain annual capital investment intentions in the $16B to $20B range

Key Action

- Target global resource industry investors in key markets to attract investment in the sectors of value-added agriculture, oil and gas, mining, manufacturing and forestry by leading/supporting sector development and investment attraction missions; and hosting foreign delegate in-house information sessions

Performance measure

Private capital investment
Maintain private capital investment in Saskatchewan at $16 billion or greater.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: educating, training, and developing a skilled workforce

Ministry Goal

60,000 more people working in Saskatchewan by 2020

Strategy

Align skills provision to the needs of the economy

Key Actions

- Work with employers and training providers to develop demand-driven labour market programming
  - Expand the Canada-Saskatchewan Job Grant to support training for jobs
  - Add additional apprenticeship spaces in the province, and seek opportunities to engage more employers in the training of apprentices
  - Increase skills training funding for Parkland Regional College to support the launch of the new Trades and Technology Centre
  - Create pilot projects featuring employer-driven training and workplace supports for Aboriginal job seekers

Strategy

Engage under-represented groups in the Saskatchewan workforce

Key Actions

- Help Saskatchewan youth plan a career in Saskatchewan with continued support for tools and resources on saskcareers.ca
- Continue working toward elimination of the Adult Basic Education waitlist
- Work with the federal government to launch a renewed Targeted Initiative for Older Workers
- Collaborate with training institutions to assist graduates from underrepresented groups in their transition to jobs
- Increase funding to the Employability Assistance Program for Persons with Disabilities
- Inform the development of Saskatchewan's Disability Strategy and Poverty Reduction Strategy by helping to identify and address obstacles to employment
- Launch Outcomes-Based Contract Management with community-based organizations to support the shared commitment to good results for job seekers and employers

Strategy

Attract skilled workers to the province

Key Actions

- Ensure newcomers can fully utilize their skills and work experience
  - Work with other provinces and territories on mutual recognition and harmonization activities for apprentices moving to Saskatchewan
  - Launch new partnerships to support pathways to foreign credential recognition
- Increase permanent immigration to Saskatchewan by raising the SINP cap to 5,500 including 775 Express Entry nominations
- Raise the profile of Saskatchewan among interprovincial and international job seekers
- Collaborate with the federal government to launch a new job matching tool for Canadian and international job seekers
- Provide support for legal proceedings under *The Foreign Worker Recruitment and Immigration Services Act*
- Assist employers with navigating their options for domestic recruitment and recruitment of temporary and permanent foreign workers
- Increase the coordination of provincial and federal investments in settlement support services such as language training to better address the needs of Saskatchewan residents

Performance measures

Employment growth
Increase employment to 571,800 in 2015-16, and continue progress toward 608,000 to meet the Growth Plan target of 60,000 more people working in Saskatchewan by 2020.

Employment of under-represented groups
Improve employment rates of First Nation and Métis peoples and other under-represented groups to best in Canada.

Net migration
Net interprovincial migration grows to the national average and net international migration expands to address employer demand.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategy

Support the Government of Saskatchewan's priorities

Key Actions

- Identify key client groups, their expectations and measures to be undertaken to improve service delivery
- Apply Lean methodologies to improve service delivery in key programs and continue to build the Ministry's culture of continuous improvement
- Implement a risk-based internal audit plan
- Integrate regulatory review and program review processes within the Ministry, align them with Ministry strategic priorities and implement approved action plans resulting from the core reviews
- Implement strategies focused on safety, organizational culture, training and development, and diversity

Strategy

Corporate and Financial Responsibility

Key Actions

- Reduce ECON's office footprint by reducing occupied space according to Government's guidelines
- Appropriately and responsibly manage and report on public funds and safeguard public assets

Performance Measure

Managing public funds and safeguarding public assets
Continue to improve accountability for the management of public funds and assets by preparing/providing accurate and timely financial information in a manner that satisfies requirements of the Provincial Auditor.

Highlights

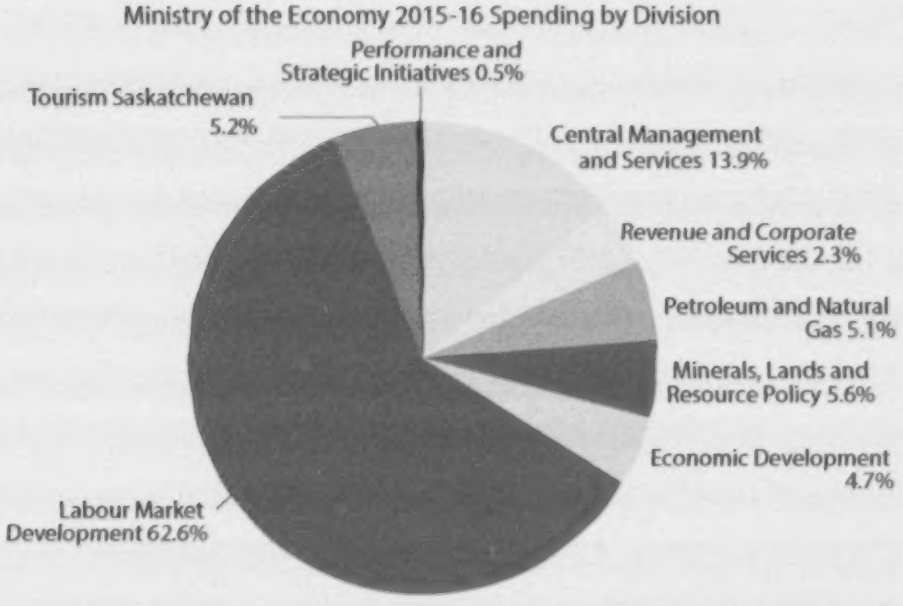
- Directing an additional $1M to the Saskatchewan Apprenticeship and Trade Certification Commission to create an additional 300 training seats.
- Increasing funding for the Apprenticeship Training Allowance by $500K to support the increase in apprenticeship seats.
- Providing an additional $600K for 200 new seats to further reduce the wait list for Adult Basic Education (ABE).
- Increasing the Provincial Training Allowance by $1M to cover living costs associated with the additional ABE seats while learners attend training.
- Expanding the Employment Assistance for People with Disabilities program.
- Implementing a single window application/approval process for oil well drilling.
- Providing additional funding for regulatory monitoring of the oil and gas industry to ensure environmental and public safety standards are maintained, including addressing sour gas emissions. Also introducing an Enhanced Production Audit Program and an Enhanced Valuation Audit Program.
- Funding the completion of the Process Renewal and Infrastructure Management Enhancement program.
- Fully implementing *The Subsurface Mineral Tenure Regulations*.

Financial Summary

2015-16 Estimates	(in thousands of dollars)
Central Management and Services	38,456
Revenue and Corporate Services	6,310
Petroleum and Natural Gas	14,204
Minerals, Lands and Resource Policy	15,471
Economic Development	13,085
Labour Market Development	173,018
Tourism Saskatchewan	14,442
Performance and Strategic Initiatives	1,292
Total Appropriation	**276,278**
Remediation of Contaminated Sites	(5,300)
Capital Asset Acquisitions	(2,510)
Non-Appropriated Expense Adjustment	3,013
Total Expense	**271,481**
FTE Staff Complement	**576.9**

For more information, see the Budget Estimates at: http://www.saskatchewan.ca/budget

Financial Summary


Ministry of the Economy 2015-16 Spending by Division
Performance and Strategic Initiatives 0.5%
Tourism Saskatchewan 5.2%
Central Management and Services 13.9%
Revenue and Corporate Services 2.3%
Petroleum and Natural Gas 5.1%
Minerals, Lands and Resource Policy 5.6%
Economic Development 4.7%
Labour Market Development 62.6%

For More Information

Please visit the Ministry's website at http://www.saskatchewan.ca/government/government-structure/ministries/economy

Government of Saskatchewan